Docket No. 12-0095

Q LINK Ex. 1.0

Rebuttal Testimony of Issa Asad

Q LINK Ex. 1.6 (2012 Audit Report)

Public Version

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Docket No. 12-0095

O LINK Ex. 1.6

INDEPENDENT AUDITORS' REPORT

To the Members of Q Link Wireless, LLC

Report on the Financial Statements

& associates, P.A., CPAs which comprise the

We have audited the accompanying financial statements of Q Link Wireless, LLC, which comprise the balance sheet as of December 31, 2012, and the related statement of operations, statement of members' equity(deficit) and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the tisks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of QLink Wireless, LLC as of December 31, 2012, and the results of its operations, statement of members' equity (deficit) and its eash flows for the year then ended in accordance with US generally accordance accounting principles.

Lyng Ken Guldet

Lopez Levi & Associates, P.A., CPA's Coral Gables, Florida

Public Accountants 15, 2013

and Associates

Lift Akiambera Festig Schlecking bör Gran baudes, 61 Lift 34

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Q Link Wireless, LLC **BALANCE SHEET** December 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents Accounts receivables, net

TOTAL CURRENT ASSETS

PROPERTY AND EQUIPMENT - net

OTHER ASSETS

TOTAL ASSETS

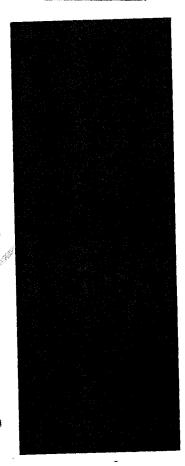
LIABILITIES AND MEMBERS' EQUITY **CURRENT LIABILITIES**

Note payable Accrued expense and accounts payables

TOTAL CURRENT LIABILITIES

TOTAL MEMBERS' EQUITY (DEFICIT)

TOTAL LIABILITY AND MEMBERS' EQUITY (DEFICIT)



2012

Q Link Wireless, LLC STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2012

WHOLESALE CARRIER REVENUE

COST OF REVENUE

GROSS PROFIT

EXPENSES:

Salary and Wages

General and Administrative

TOTAL EXPENSES

OPERATING INCOME (LOSS)

NET INCOME (LOSS)



Q Link Wireless, LLC STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCOME (LOSS)

Adjustments to reconcile net (loss) to

Net cash (used) by operating activities:

Depreciation

Increase/decrease in assets and liabilities:

Accounts receivables

Accrued and accounts payables

Other assets

NET CASH PROVIDED BY OPERATING ACTIVITIES

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of equipment

NET CASH USED BY INVESTING ACTIVITIES

CASH FLOWS FROM FINANCING ACTIVITIES

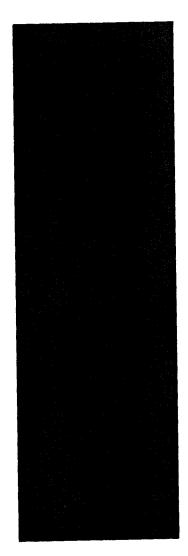
Net borrowing on note payable - net of repayment NET CASH PROVIDED BY FINANCING ACTIVITIES

NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS

CASH AND EQUIVALENTS, BEGINNING OF YEAR

CASH AND EQUIVALENTS, END OF YEAR

INTEREST PAID



2012

The accompanying notes are an integral part of these financial statements.

Q LINK , LLC STATEMENTS OF MEMBERS' EQUITY (DEFICIT) YEAR ENDED DECEMBER 31, 2012

MEMBERSHIP UNITS (LOSSES) TOTAL

Balances, January 1, 2013

Members' Contributions

Net Income (loss)

Balances, December 31, 2013

NOTE A-ORGANIZATION AND DESCRIPTION OF BUSINESS

Description of Business

Q Link Wireless, LLC, a Delaware limited liability company, (the 'Company') was incorporated in 2011, a wholly owned subsidiary of Quadrant Holding, LLC.

The Company's primary activity is prepaid wireless telecommunications carrier designated as an Eligible Telecommunications Carrier ("ETC") solely for the purpose of participating in the Lifeline program.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash Equivalents

All highly liquid investments with maturity of three months or less when purchased are classified as cash equivalents.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over an estimated useful life years. Depreciation expenses totaled

The Company capitalizes certain costs incurred in connection with developing or obtaining internal use software. These costs consist of payments made to third parties and the salaries of employees working on such software development.

Long-Lived Assets

The Company reviews its long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The analysis of the recoverability utilizes undiscounted cash flows. The measurement of the loss, if any, will be calculated as the amount by which the carrying amount of the asset exceeds the fair value.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continuation

Revenue Recognition

Revenues on its platform and are recognized when services are rendered.

Cost of Revenues

Direct Costs of Revenues consists primarily of termination costs, toll-free costs, and network costs, including customer/carrier interconnect charges and leased fiber circuit charges.

Advertising

Advertising costs are expensed when incurred.

Regulation

The Company's primary activity is prepaid wireless telecommunications carrier designated as an Eligible Telecommunications Carrier ("ETC") solely for the purpose of participating in the Lifeline program. The local and long distance telecommunications services we provide are regulated by federal, state, and, to some extent, local government authorities.

Universal Service Fund

The Company is exempt from Universal service contribution requirements imposed on Lifeline program ("USF").

Income Taxes

The Company is taxed partnership in lieu of corporation income taxes, the members of the limited liability are taxed on the entity's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

Fair Value of Financial Instruments

At December 31, 2012 the carrying value for the Company's accounts receivable, current assets, accounts payable, accrued expenses and liabilities and other current assets and liabilities approximate fair value.

NOTE C - CONCENTRATIONS OF RISK

The Company maintains cash balances at a financial institution in Miami. Accounts at each institution are insured by the Federal Deposit Insurance Corporation The Company's balances may at times exceed this limit.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31.

Vehicle
Furniture and office equipment
Computer software

Accumulated depreciation and amortization
Property and equipment, net

NOTE F - NOTES PAYABLES ON OBLIGATIONS

The Company leases office and warehouse space, on a month-to-month basis of approximately month.



NOTE G - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following as of December 31:

Accrued payroll, consulting and other expenses

The Company owes accrued consulting fees to its sole members 2012.

NOTE H - RELATED PARTY BALANCES AND TRANSACTIONS

The Company has note payable to the sole members, totaling with zero interest payments due at prime at December 31, 2012.

The Company entered into a promissory note agreement (the 'Note') through its Parent, totaling with zero interest payments due at prime at December 31, 2012.

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NOTE H - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 15, 2013, the date on which the financial statements were available to be issued.